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ULTRA DIMENSION SDN BHD

v.

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**AMERICAN HOME ASSURANCE COMPANY;
REWARDSTREET.COM (MALAYSIA) SDN BHD
(THIRD PARTY)**

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HIGH COURT MALAYA, KUALA LUMPUR
HAMID SULTAN ABU BACKER JC
[COMMERCIAL TRIAL NO: D5(IP)-22-1930-2001]
15 MAY 2009

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COPYRIGHT: Infringement - Application for - Whether defendant infringed on plaintiff's copyright vis a vis photograph depicting free falling coins unto open pair of hands - Whether plaintiff copyright owner of the photograph - Copyright Act 1987, s. 37(1), (5) - Whether copyright protection extend to any idea - Copyright Act 1987, s. 7(2A) - Whether photograph afforded copyright protection - Whether plaintiff's action for copyright infringement unsustainable - Whether defendant's counterclaim and claim against third party dismissed

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The plaintiff herein was claiming copyright of photograph UD 0641 (a photograph depicting free-falling coins unto an open pair of hands) and pleaded specifically that the said photograph was taken specifically by the plaintiff's photographers. It was the plaintiff's complaint that the defendant had infringed their copyright when they produced the photograph in the Cash In Rebate cards, guidebooks, mock up letterheads and brochures distributed to merchants, agents and customers. The defendant denied the infringement and said pursuant to an agreement with the third party the defendant had purchased from the third party the Cash In Rebate cards and all payments for their services were paid to the third party. The third party's defence was one of denial of liability. In essence, the plaintiff relied on s. 36(1) of Copyright Act 1987 (CRA 1987) and concluded that on a balance of probabilities the defendant had infringed on the plaintiff's copyright vis a vis the photo UD0641. The defendant argued that the plaintiff's action for copyright infringement was unsustainable and ought to be dismissed on the following grounds (i) the plaintiff was not the copyright owner of the photograph UD0641; (ii) no sufficient effort had been expounded by the plaintiff in respect of the alleged picture contained in the book; (iii) copyright protection

should not extend to any idea, thus the idea of money falling from sky into a pair of hands did not afford any copyright protection; (iv) there was no copyright infringement of the alleged picture; (v) the defendant had purchased the card from the third party thus any act done which amounted to infringement of copyright, which was denied, if any, was done by the third party; (v) the plaintiff did not suffer any loss as a result of the use of the picture of money falling into a pair of hands by third party on the Cash-In Rebate Card and/or the Guidebook.

Held (dismissing plaintiff's claim, defendants' counterclaim and defendant's claim against the third party):

- (1) The plaintiff alleged that they were owners of the copyright. In evidence it was clear that the said photograph was taken in 1995 and the plaintiff was only incorporated in 1997. In consequence, the plaintiff in law could not have been the owner of copyright and the *locus standi* to sue (s. 37(1) and (5) CRA 1987). It is clearly said in CRA 1987 that no copyright shall subsist otherwise than by virtue of this Act. Further, it was crucial to note that the copyright here was not assigned to the plaintiff by the group of people who were involved to take the said photograph. (paras 13 & 14)
- (2) The burden was on the plaintiff to produce the relevant evidence to show that they were the copyright owners in law. This necessarily meant the plaintiff must have disclosed the relevant documents before the trial. This requirement could not be compromised by the plaintiff's counsel during the course of trial as it happened in this case to say that they could produce the supporting documents relating to the transfer of copyright. It was too late to do so. Further, as a general rule, it was improper for counsel during examination or cross examination of witness to ask witness to produce documents which had not been filed in court. Issues in respect of documents must be completed in discovery stage or obtained by way of interrogatories or where relevant, to issue notice to produce etc. There could not be disclosures of documents by witnesses while giving evidence, and for that purpose seeking adjournments. The trial court was bound not to entertain such requests or adjournments to produce documents. (para 14)

- A (3) There was much merit in the submission of the defendants that copyright protection should not extend to any idea. In this case, money falling from the sky into a pair of hands did not afford any copyright protection (s. 7(2A) of CRA 1987). (para 14)
- B (4) The defendant herein in their evidence and submission had not taken the steps to pursue their counterclaim according to law. After having read the counterclaim it was obvious that the counterclaim independently could not be sustained in law, and this had been adequately dealt by the plaintiff in their submission. (para 16)
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Case(s) referred to:

- Francis Day & Hunter U Bron* [1963] CH 587 (**refd**)
- Hexagon Tower Sdn Bhd v. Polydamic Holdings Sdn Bhd & Ors* [2005] 1 LNS 77 HC (**refd**)
- D *Kiwi Brand (Malaysia) Sdn Bhd v. Multiview Enterprises Sdn Bhd* [1998] 2 CLJ (Supp) 194 HC (**refd**)
- Recaliva Design Steel (M) Sdn Bhd v. Vista Access Sdn Bhd & Anor* [2008] 10 CLJ 491 HC (**refd**)
- E *Solid Gold Publishers Sdn Bhd v. Chan Wee Ho & Ors* [1998] 5 CLJ 735 HC (**refd**)

Legislation referred to:

- Copyright Act 1987, ss. 7(3), 36(1), 37(1), (5)
- F *For the plaintiff - SK Liow (Joyce Lim with him); M/s Liow & Co*
For the defendant - Bahari Yeow (Foong Cheng Leong with him); M/s Lee Hishammudin Allen & Gledhill
For the 3rd party - Kelvin (Izleen Ismail & Normahela with him); M/s Syed Alwi, Ng & Co
- G *Reported by Suhainah Wahiduddin*

JUDGMENT

H Hamid Sultan Abu Backer JC:

[1] This is my judgment in respect of the plaintiff's claim for infringement of copyright and the defendant's counter claim and action against the third party in relation to the claim.

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Brief Facts

[2] The plaintiff claims copyright of photograph with the code no UD 0641 and pleads specifically in para. 6 of the statement of claim as follows:

The said photograph in the said book was taken specifically by the Plaintiff's photographers and/or the commissioned photographers by the Plaintiff, particularly but not limited to the said photograph, whereby the copyright has been infringed by the Defendant and/or its agents/employees.

[3] And complains that the defendant infringed their copyright when they produced the photograph in the cash-in-rebate cards, guidebooks, mock-up letter heads and brochures distributed to merchants, agents and customers.

[4] The defendant denies the infringement and says pursuant to an agreement with the third party the defendant purchased from the third party the cash-in-rebate cards and all payments for their services were paid to the third party. The third party defence is one of denial of liability and on the facts of this case I do not wish to further elaborate on the defence of the third party.

Preliminaries

[5] Evidence was given to show that the said photograph was taken in 1995 and the plaintiff was only incorporated in 1997. The plaintiff's witness PW1 in his evidence had stated that he and a group of persons were involved in taking the said photograph and that he transferred the copyright to the plaintiff. At conclusion of the case I had informed the parties that PW1's evidence was a material departure from the pleadings para. 6 and invited the party to submit in detail, as this will be a sufficient ground for dismissing the plaintiff's suit (see *Recaliva Design Steel (M) Sdn Bhd v. Vista Access Sdn Bhd & Anor* [2008] 10 CLJ 491)

[6] Further the plaintiff had also not named the third party as one of the defendants notwithstanding the fact that the third party would have been a material party to enable the plaintiff to seek the appropriate remedy on the facts of the case, in the event they establish that they are the holders of the copyright and there was an infringement as envisaged by the Copyright Act 1987 (CRA1987), as the agreed facts *inter alia* reads as follows:

A The Defendant entered into an Agreement dated 21/4/1998 with the Third Party to purchase a quantity of 60,000 Cash-In Rebate cards, which were printed with the logo and the name of the Defendant.

B The Cash-In Rebate cards were duly delivered to the respective insurance policies holders of the Defendant together with other documents such as guidebooks, attached letters and envelopes.

Plaintiff's Argument

C [7] In essence the learned counsel for the plaintiff says:

D The photograph (with the code number UD 0641), as an expression of an idea (Shining coins falling from the above unto a pair of open hands, with a carpet of shining coins underneath) was artistically taken, and professionally well-composed. The positioning of the falling coins was captured with *inter alia* the precise shutter speed and lighting that was par excellence. The clarity and the sharpness of the whole photo, and especially of the free-falling shining coins, was of high quality. In short, the photo UD 0641 originated from PW1 (and later transferred to Plaintiff), and great (and laborious) effort and skill have been expended in the creation and production of the said photo. Indeed, the Plaintiff humbly submits that there is originality in the expression of the idea *vis-a-vis* the photo UD 0641.

F [8] And in essence the plaintiff relies on s. 36(1) of CRA 1987 which reads as follows:

Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.

G [9] And the case of *Hexagon Tower Sdn Bhd v. Polydamic Holdings Sdn Bhd* [2005] 1 LNS 77 where the court adumbrated on "Qualitative Test, Objective Similarities, Casual Connection" in reliance of the case of *Francis Day & Hunter U Bron* [1963] CH 587 where Diplock LJ observed:

H It is well established that to constitute infringement of copyright in any literary, dramatic or musical work there must be present two elements: First, there must be sufficient objective similarity between the infringing work and the copyright work, or a substantial part thereof, for the former to be properly described, not necessarily as identical with, but as a reproduction or adaptation of the latter, secondly, the copyright work must be the

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source from which the infringing work is derived .. there must be a causal connection between the copyright work and the infringing work.

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[10] In respect of the above the learned counsel submits as follows:

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In our case, for the years 1999/2000, the defendant had quite a massive rebate card campaign called the “AHA Privilege Cash-In Rebate Card.” Pursuant to that, it produced many copies of the Guidebook which consisted of thousands of participating merchants, and the D also produced at least 60,000 Cash-In Rebates Cards in joint collaboration the 3rd Party. Mock-ups and letter-heads were also produced. Central to the entire campaign was a picture depicting free-falling coins unto an open pair of hands. That picture was featured prominently on the front of the Cash-In Rebate Card, on the front of the Guidebook (ex. P2, Page 5), and even on the template covering letter (ex. P2, Page 184).

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If one were to compare the central picture of the free-falling coins unto a pair of open hands in the D’s campaign, with the PI’s UD 0641, as what PW1 did, the following observations are made:

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- (1) The concept is exactly identical;
- (2) The angle of shot is the same;
- (3) The positioning of the hands is very similar;
- (4) The dark background of the free-falling coins is identical;
- (5) The positioning of the free-falling coins (marked as A in page 164 ex. P2) are exactly identical; and
- (6) The sole free-falling coin in location B has been “cut-and-paste” to a new position nearer to the palm in the D’s photo.

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In the circumstances, the PI submits that there is sufficient objective similarity between the offending photo and that of the PI.

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[11] And concludes that on a balance of probabilities the defendant has infringed on the plaintiff’s copyright *vis-a-vis* the Photo UD 0641.

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A Defendant's Submission

[12] The defendant says that the plaintiff's action for copyright infringement is unsustainable and ought to be dismissed with costs on the following grounds, which is briefly summarised as follows:

B (a) The plaintiff is not the copyright owner of the photograph identified as UD 0641; (b) No sufficient effort has been expounded by the plaintiff in respect of the alleged picture contained in the Book; (c) Copyright protection shall not extend to any idea. Thus, the idea money falling from the sky into a pair of hands does not afford any copyright protection; (d) There is no copyright infringement of the alleged picture; (e) Pursuant to the agreement, the defendant has purchased the card from the third party. No partnership or agency is created between the defendant and the third party. The guidebook and the cash-in rebate cards

C were produced, designed and printed by the third party. Thus, any act done which amounts to infringement of copyright, which is denied, if any, is done by the third party; and (f) The use of the picture of money falling into a pair of hands by a third party on the cash-in rebate card and/or the guidebook could not have

D any effect on or prejudice the sale of the alleged picture or the book. And says the plaintiff did not suffer any loss as a result of the use of the picture of money falling into a pair of hands by a third party on the cash-in rebate card and/or the guidebook.

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F **[13]** I have heard the evidence, read the documents and submissions of the parties in detail. I do not wish to go into detail in respect of the evidence and submissions of the parties as it has been adequately dealt with in detail in the respective submissions. I take the view that the plaintiff's claim and the defendant's counterclaim must be dismissed and the defendant's claim against

G the third party must be dismissed. My reasons are as follows:

a) The plaintiff in para. 6 of the statement of claim has alleged that they are the owners of the copyright. In evidence it was clear that the said photograph was taken in 1995 and the

H plaintiff was only incorporated in 1997. In consequence the plaintiff in law could not have been the owner of copyright and the *locus standi* to sue as s. 37(1) and (5) CRA 1987 reads as follows:

I Section 37(1)

Subject to this Act, infringements of copyright shall be actionable at the suit of the owner of the copyright and in any action for such an infringement, all such relief by way

of damages, injunction, accounts or otherwise, shall be available to the plaintiff as are available in any corresponding proceedings in respect of infringement of other proprietary rights.

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Section 37(5)

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For the purposes of this section, owner of the copyright means the first owner or an assignee, as the case may be, of the relevant part of the copyright.

[14] And it is pertinent to note that CRA 1987 clearly says that no copyright shall subsist otherwise than by virtue of this Act. Further it is crucial to note that the copyright here was not assigned to the plaintiff by the group of people who were involved to take the said photograph. In *Solid Gold Publishers Sdn Bhd v. Chan Wee Ho & Ors* [1998] 5 CLJ 735, Suriyadi J (as he then was) observed:

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Under s. 37(5) of the Copyright Act 1987, an owner of the copyright means the first owner or an assignee, as the case may be, or the relevant part of the copyright.

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By due construction of the provision, it is quite safe to conclude that the assignee is not the first owner, as he is a person who has been conferred with that exclusive right or license to deal with the infringed items as consented to or licensed by the latter. To prove that they are licensees, to qualify as owners of the copyright, it would be incumbent upon the plaintiffs to adduce credible and admissible evidence ie, the very basis of their claim. The success of that exercise not only must encompass Solid Gold but also Cineart Enterprise Sdn. Bhd. This is so as Solid Gold not only was litigating on its own behalf but also for Cineart Enterprise Sdn Bhd. (emphasis added)

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- b) The burden is on the plaintiff to produce the relevant evidence to show that they are the copyright owners in law. This necessarily means the plaintiff must have disclosed the relevant documents before the trial. This requirement cannot be compromised by the plaintiff's counsel during the course of trial as it happened in this case to say that they can produce the supporting documents relating to the transfer of copyright. It is too late to do so. Further, as a general rule, it is improper for counsel during examination or cross-examination of witness to ask witness to produce documents which has not been filed in court. Issues in respect of documents must be completed in discovery stage or obtained by way of

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- A interrogatories or where relevant, to issue notice to produce etc. There cannot be disclosures of documents by witnesses while giving evidence, and for that purpose seeking adjournments. The trial court is bound not to entertain such requests or adjournments to produce documents.
- B c) There is much merit in the submission of the defendants that copyright protection shall not extend to any idea. In this case the defendant says the money falling from the sky into a pair of hands does not afford any copyright protection. Section 7(2A) of CRA 1987 specifically states that:
- C Copyright protection shall not extend to any idea, procedure, method of operation or mathematical concept as such.
- D [15] And s. 7(3) of CRA 1987 states:
- A literary, musical or artistic work shall not be eligible for copyright unless:
- E (a) sufficient effort has been expended to make the work original in character; and
- (b) the work has been written down, recorded or otherwise reduced to material form.
- F [16] In *Kiwi Brand (Malaysia) Sdn Bhd v. Multiview Enterprises Sdn Bhd* [1998] 2 CLJ (Supp) 194, Abdul Malik Ishak J (as His Lordship then was) observed:
- G The word “original” that appears in s. 7(3)(a) of the Copyright Act 1987 does not mean that the work must be the expression of original or inventive thought. I am of the considered view that the originality, which is required, relates to the expression of the thought; it does not require that the expression must be in an original or even novel form. **The work must not be copied from another work.** It should originate from the author. Lord Reid in *Ladbroke (Football) Ltd v. William Hill (Football), Ltd* [1964] 1 WLR 263 at p. 277-278 in lucid terms said:
- H What is the precise amount of the knowledge, labour, judgment or literary skill or taste, which the author of any book must bestow in order to acquire copyright, cannot be defined in precise terms. In every case, it must depend largely on the special facts of that case, and must in each case, be very much a question of degree.
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It is a correct statement of the law to say and I so say that no originality of thought is needed to sustain a claim to copyright. **Under the prevailing copyright law ideas are not protected.** The skill and labour needed to give any given idea some particular material form, and it is that form in which the work is presented that is protected by copyright. It is this kind of originality in which the author can claim to be his own work that is protected under the copyright law. (emphasis added)

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- d) The defendant in this case in their evidence and submission have not taken the steps to pursue their counterclaim according to law. After having read the counterclaim it is obvious that the counterclaim independently cannot be sustained in law, and this has been adequately dealt with by the plaintiff in their submission.

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- e) The defendant's claim against the third party is justified in law for reasons stated in my caption 'preliminaries' above.

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[17] For reasons stated above I make the following orders:

- a) The plaintiff's claim be dismissed with costs. The getting up fees shall not exceed RM30,000. If costs cannot be agreed the defendant is at liberty to tax costs.
- b) The defendant's counterclaim and the action against the third party is dismissed with no order as to costs.

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[18] I hereby order so.

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